

NEBRASKA DEPARTMENT
OF INSURANCE

JAN 11 2002

FILED

BEFORE THE DEPARTMENT OF INSURANCE
STATE OF NEBRASKA

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE,

PETITIONER,

vs.

TODD E. HOINS,

RESPONDENT.

Cause No.: A-1338

ORDER OF PROBATION

This Order of Probation is entered in accordance with the remand decision of District Judge Paul D. Merritt, Jr. in the appeal of this matter to the District Court of Lancaster County, Nebraska, Case Number CI 01-1220, and pursuant to the Insurance Producers Licensing Act, Neb. Rev. Stat. §44-4028, in effect at the time of the proceedings.

TERMS AND CONDITIONS OF PROBATION

1. Respondent's term of probation shall extend for three (3) years from the date this Order of Probation is signed by the Director of Insurance.
2. The Director of Insurance hereby appoints the Administrator of the Consumer Affairs Division of the Nebraska Department of Insurance ("Administrator") as the Department contact for Respondent during the term of his probation. Respondent shall report to Administrator with all information, reports, certifications, statements, etc., required to be filed with the Department by this Order of Probation. Respondent shall pay all costs associated with the requirements of probation.

3. Over the course of a two year licensing period, Respondent is required to complete 15 hours of continuing education with 3 hours required for Ethics education and 12 hours related to Life Insurance education. Respondent shall complete nine hours of Ethics training in addition to the 15 hours of continuing education required for the two year licensing period. Prior to enrolling in the Ethics courses, Respondent shall submit information on the proposed courses to Administrator for review and prior approval. Respondent shall complete this requirement by the end of the term of probation.

4. Respondent shall maintain a trust account at a lending institution of his choice. This trust account shall not be used for the payment of business or operating expenses for his insurance agency/office. In situations where Respondent's clients make insurance premium payable to Respondent rather than to the insurer, Respondent shall deposit the premium received from clients into the trust account. Respondent shall remit insurance premium to the appropriate insurance companies with checks payable from the trust account. Respondent shall make any premium refunds due to clients from the trust account. Respondent may draw on the trust account to remove any commission due to him. The date and amount of the draw must be appropriately recorded in the agency/office accounting records. Respondent shall employ a bookkeeper or accountant to handle the financial recordkeeping. Monthly, Respondent shall provide a copy of his trust account bank statement to Administrator.

5. For the first six months of probation, Respondent shall provide to the Department a monthly statement by the 10th of each month describing the insurance business transacted for the preceding month. The statement shall include (a) a list of

appointments made including the name and telephone number of each client, (b) monthly commission statements or production records from each insurer for whom Respondent writes business, (c) copies of policy delivery receipts for any life insurance and/or long term care policies that may be provided to Respondent by insurers for delivery, (d) a monthly accounting summary of business receipts, deposits and payments made to clients and insurers, (e) as referenced in paragraph 8 below, copies of premium refund certified mail receipts and copies of cancelled checks, and (f) any other information requested by the Department after discussion with Respondent. Thereafter, semi-annually, Respondent shall file a statement summarizing insurance business transactions for the previous six month period.

6. Respondent shall not obtain or maintain any blank endorsements, agreements or applications signed by clients for transactions relating to the business of insurance. Should Respondent's client need to make a change/transfer from an account, said client must sign and date a new endorsement for each transfer at or near the time the transfer is made.

7. All premium refunds sent by companies to Respondent shall be forwarded by Respondent to the respective client by certified mail, return receipt requested. All documentation related to the certified mailing of the refund must be maintained by Respondent. If said refund is paid to Respondent, Respondent must show that the funds were deposited into his trust account, a trust check was issued and delivered to the client, and provide a copy of the canceled trust account check endorsed by the client.

8. Respondent shall meet semi-annually with Administrator to review the statement for that period and to address any questions/concerns of the Department.

9. Respondent shall not violate any insurance laws, regulations of the State of Nebraska or any other state in which Respondent is licensed. Respondent shall notify the Department within seven (7) days if he is cited or charged with any criminal violations whether related or unrelated to the business of insurance. Respondent shall notify the Department within seven (7) days if any other state in which he is licensed as an insurance producer or securities dealer files any action against his license(s).

10. Administrator may, at his/her discretion, periodically contact Respondent's clients to ensure accuracy of Respondent's accounting papers and to assist in the evaluation of Respondent's compliance with this Order of Probation.

CONSENT

The Director of Insurance hereby issues written consent to allow Respondent to continue to engage in the business of insurance as contemplated by 18 U.S.C. §1033(e).

Dated this 11th day of January, 2002.

STATE OF NEBRASKA
DEPARTMENT OF INSURANCE



L. TIM WAGNER
Director of Insurance

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above Order of Probation was served upon Respondent by mailing same to his address of record, P.O. Box 227,

Hastings, NE 68902 and Respondent's counsel, Arthur Langvardt, 422 North Hastings,
Suite 105, Hastings, NE 68901 by U.S. Mail, postage prepaid on this 11th day of
January, 2002.

Stacy M. Buryant